

Federal Commission to Grant WDEBS A Permit British Lords Move To Block Socialism

Members of the Federal Radio Commission have assured trustees of the \$250,000 Debs Memorial Radio Fund, 31 Union Square, New York City, that the fund will be granted a license to broadcast the moment it purchases a broadcasting station, the trustees announced yesterday.

With this assurance, Norman Thomas, chairman of the fund, declared that the Debs fund will resume its negotiations for the purchase of a high-powered station in the New York area. It expects to announce the purchase of a station very shortly.

The declaration of the commission was hailed yesterday by trustees of the fund, which seeks to operate a station from which all shades of labor and liberal opinion will be broadcast, as a living memorial to the late Eugene V. Debs, the noted labor leader. A representative group of prominent laborers and progressives on the Board of Trustees insures impartial dissemination of all viewpoints of interest to labor.

The fund is being supported by scores of labor organizations throughout the country and Canada whose contributions are steadily pouring in, it was stated yesterday. It is expected that the station, to be known as WDEBS, will become part of a circuit of labor radio stations to hop up throughout the country. Already Station WCFL is functioning on behalf of the Chicago Federation of Labor and other labor stations are being contemplated for Washington, D. C. and the Pacific Coast.

World Cooperative Rising Out of the Capitalistic Order

37 Nations Uniting in Huge
International Combine
of Cooperatives

LONDON, England.—Facts disclosed at the British cooperative congress show that a great cooperative international combine is rapidly taking shape and is offering itself as part of the great movement toward the cooperative commonwealth. It was announced at this congress that China, the 37th country, is now knocking at the door of the international alliance. The combine between the cooperatives of thirteen leading cooperative nations is pending. This proposed alliance embraces the cooperative systems of Great Britain, France, Germany, Belgium, Denmark, Sweden, Switzerland, Czechoslovakia, Poland, Russia, Finland, Australia and New Zealand.

The volume of business between the 36 countries now comprising the international alliance, was during the last year \$200,000,000. The thirteen nation combine will represent assets of more than \$2,000,000,000.

Thirty-four of the leading cooperative countries contain 300,000 societies having a combined membership of 44,500,000. Considering the members mainly as heads of families, this would mean at least 200,000,000 people more or less directly interested in the ownership of cooperatives in 34 countries. Approximately 45 per cent of the inhabitants of Great Britain and at least 20 per cent of the inhabitants of other leading European nations are connected with cooperatives. The British cooperatives did a billion dollars worth of business last year.

It was brought out also that the cooperative are swinging closer and closer to the labor movement and to the aims and objectives of the Socialist movement and is becoming an instrument in the hands of the workers throughout the world in the struggle against capitalism and in building up the new system—the world cooperative commonwealth. This drift to its place as a real weapon of emancipation in the hands of the workers was strikingly brought in the action of this British congress. It voted overwhelmingly to become an integral part of the British Labor Party in the political field and a financial mainstay of that party.

The congress also brought out strikingly the trend of cooperation toward the unification of the workers and toward world peace in opposition to capitalist wars. While the political movement of the workers toward emancipation is unfortunately split between Socialists and Communists, Russia is in the international cooperative alliance and the relation between the Russian cooperative system and that in the Socialist countries is most close and cordial. Cooperative international trade is growing by leaps and bounds in great and growing cooperative fleets, which in turning the world are working around this planet now and unbreakable bonds of unity and peace.

Monopoly Grab of Whole Radio Field Admitted by Boss

Chicago Labor Radio & WDEBS
May Be Only Stations Open
To the Workers

WASHINGTON.—Through the key stations owned by the Radio Trust and their networks all the people of the United States can be reached — AND NO ONE ELSE CAN GET NEAR THEM. This is the gist of the testimony reluctantly yielded by Martin Hall Aylesworth, president of the National Broadcasting Company and Chief of Radio to the Radio Commission here last week. Mr. Aylesworth's whole testimony revealed that the monopoly of the air has arrived and is at work. His testimony showed:

That the Radio Trust has "key stations" in New York, the financial center of the country, and in Washington, the political center of the country.

That through one set of hook-ups, called the "Red" network, it can reach a population of 75,000,000, and through another set of hook-ups, the "Blue" network, it can reach a population of 60,000,000. Of course, these networks overlap. Then a third set of hook-ups, called the "Orange" network, covers the Pacific coast.

Through these key stations and networks the Radio Trust can reach all the people of the United States — and no one else can get near them. The formation of the Radio Trust reads a good deal like the House that Jack (Morgan) built.

The National Broadcasting Company owned by the Radio Corporation, the General Electric Company, and the Westinghouse company.

The Radio Corporation is owned by the General Electric, the Westinghouse and the Telephone and Telegraph Companies.

The General Electric, the Westinghouse and the Telephone and Telegraph are owned or controlled by interests that gather in the House of Morgan.

Likewise, the General Electric, the Westinghouse, the T. & T. Company, the Radio Corporation and a few other associates are under complaint of the Federal Trade Commission for unfair and monopolistic practices.

So that the air is dominated at the present time by a group of interests practically under indictment for violation of the anti-trust laws.

The recent prediction of Ed Nockles, secretary of the Chicago Federation of Labor, that soon the only independent station in the United States would be the one belonging to the federation, bids fair to come true unless the Debs Memorial Radio Station is realized through the gifts of the Liberal, Labor and Socialist supporters throughout the United States. That it will be is the glad message that has been sent out from New York by the Debs Memorial Fund.

Nowhere was it reported that it is negotiating for the purchase of an existing station in New York City.

Berger Urges Use of Federal Funds As Floods Remedy

MILWAUKEE.—Speaking at the Wisconsin flood control conference in Milwaukee Victor Berger, Socialist congressman, declared that no particular individual or group is to blame for the recurring disastrous floods of the lower Mississippi.

Public Ownership Forces in Illinois Smash Insull Bills

As the Appeal goes to press the leading capitalist organs in Illinois are announcing the certain failure of the Insull traction bills to pass the lower Illinois house. These measures would have been the death warrant of municipal ownership in Illinois and in all probability would have meant the passage of similar legislation in other states. They were defeated after the Insull cohorts had jammed them through the state senate by an overwhelming majority.

This senate victory of the great traction magnate alarmed and aroused the public ownership forces of Illinois as they have never been aroused before. Representative officials of the city governments of Illinois where public ownership is established and successful joined forces to save their threatened public property. Progressive civic bodies including the Public Ownership League of America marshaled their cohorts for battle. The state was flooded with literature containing startling facts connected with the Insull move and their full meaning. It was flooded with thousands of letters. Backfires were built against renege lawmakers in their own constituencies. Illinois saw its biggest and most important battle for the right of the public to own and operate its own utilities—a battle also important for the whole nation.

The fight and its outcome illustrated two valuable lessons. 1.—Big business nowadays can do practically anything it wants to do with legislation when the people are asleep. 2.—The people, informed, aroused, determined, can do almost anything they want to do with legislatures.

Sinclair Testing Boston Police On Banning of "Oil"

NEW YORK.—Oil is going to Boston in big leaf fighting clothes. Upton Sinclair's great labor novel—banned by the Boston police under threats of a year in jail—will be peddled through the streets of the Puritan capital by a force of sandwich men. The nine pages the cops says are obscene will be humorously stamped out with black ink leaves.

Sinclair is finding his bout with the Boston officers very amusing. He chuckled when telling his plans to the Federated Press.

"If they arrest any of our sandwich men I'll sell the book myself," he said. "They promised to arrest me when I sold the book before. A warrant was even issued. But I was not arrested."

Boston has some literary cops, the author found. Superintendent Crowley of the force took Sinclair under his arm and told him more naked sex stories than latter day writers.

"Shakespeare has no bedroom scenes," growled the Elisabethan authority. Sinclair advised him to read Cymbeline.

"Is not their real objection to the economic phases of the book, rather than to the alleged obscenity," he was asked when telling his plans to the Federated Press.

"Certainly," said the labor novelist. Oil in brilliant narrative tells the story of America's black gold, a story of incredible waste of natural resources, exploitation of labor and corruption of government. The sex episodes cover only a few pages out of 527 but they are revealing bits about the class of idlers, who as Sinclair says, are "permitted to have enormous wealth without doing anything to earn it."

From The Pen Of Debs (Compiled by Theodore Debs)

War Is Murder in Uniform

Douglas Jerrold once said that "war is murder in uniform."

That it should survive to the nineteenth century would be an inexplicable mystery. If it were not for the knowledge that it is a mere adjunct to the wholesale and persistent robbery committed under the organization falsely called civilization. There has never been a war, save wars of rebellion and revolution, that had not robbery for its motive. In the olden days the warrior was frankly a freebooter, and his victim was the man of wealth, the merchant and capitalist. But since capitalism has come to dominate the victim is not the merchant, unless he be a foreigner, but the farmer and the factory worker, who produced the wealth that was taken.

In the olden days the conquered was deprived of all and reduced to open slavery. Of late years the victim is despoiled of hope in life and of freedom, just as of old only now he is made to believe that he is free and is flattered with the hope that some day he himself may become a robber. In olden days they slaughtered with sword and battle axe, but now they kill at a distance, and behead the worker with a few dollars a month to murder his brother worker. In olden days war was a matter of battles and sudden spoliation, but now they slaughter with the finest machinery that human ingenuity can devise, but, after the battle is over, they tie both the victim and the conquering worker to other machines that sormore squeeze money from their bodies.

Oh, the horrors and terrors of war! When Sherman, who knew of it from having burned a road sixty miles wide through a prosperous region, was asked what war is, he faltered for a word to describe it and then he cried, "It is hell." It is hell, and the profit mongers for whom it exists and for whose aid armies and navies are maintained, are devils.

I never look on brook or river, stealing through fertile lands, but I fancy they do not run with wholesome water, but with blood and sweat and tears. I never look on a great city, that wonder-picture of man's creative power, but that I see its walls massed with human bones. When I would express my horror of war, my hatred of war, I am silent, because words cannot tell it. But I wonder how long the workers will continue to march up to the yoke, how long they will let the masters inflame them with hatred toward each other, how long they will go to the red slaughter for the glory of others and their own enslavement.

Are we not all brothers? Then why should some ride others, and why should some have all and others naught?

Are we not all of one blood? Then why should we kill each other, making widows and children orphans, that we may enable the rulers of men to feast the more? Oh, unpeppable barbarism! Oh, needless suffering and foolish burden-bearing! Awake men of the world, brothers of the world, from the old madness, and stand with the light of a better day glorifying the forehead that have learned to think and kindling the hearts that have at last learned to love in deed and in truth, and then war shall be no more; for if the soldier shall cease to kill each other for others' gain, the monstrousity of war will pass away like a horror of the troubled night.

Anita Whitney Gets Executive Pardon

Pardon for Charlotte Anita Whitney of Oakland, California, who was convicted under the California criminal syndicalism act and who faced a term of from one to fourteen years in San Quentin prison, was granted June 20 by Governor C. C. Young.

The governor's action ended a fight of seven years waged by Miss Whitney and advocates of civil liberty to save her from imprisonment on a charge of simply being a member of an organization which had been declared illegal in California.

The governor's decision was made after several weeks of studying the records of the case from the Alameda County Superior Court to the United States Supreme Court where the conviction was upheld May 18.

Uncover Suppressed Evidence Favoring Sacco and Vanzetti

Facts Tending to Clear Victims
Concealed by Government
for Years

BOSTON.—William G. Thompson, defense attorney for Sacco and Vanzetti, has submitted a 25-page brief to Governor Fuller with additional evidence of the innocence of the condemned radicals. It contains an important report of a Pinkerton Detective agency operative which came into Thompson's possession through the efforts of Thomas O'Connor, a Boston newspaper man and others.

All these years the operative's report has been suppressed by the government, and by the L. Q. White shoe company which retained him. The detective's investigation a few days after the crime serves to further discredit the prosecution's case against Vanzetti in the attempted hold-up of the White payroll at Bridgewater, Mass., December 24, 1919.

It will be remembered that Vanzetti's conviction for the Bridgewater affair prejudiced his case, and that of Sacco when they were jointly tried for the South Braintree murder some time later.

The Pinkerton man interviewed police officers and other witnesses who later testified against Vanzetti. They told him very different stories from those they gave on the witness stand the following year and the descriptions they gave of the bandits did not fit Vanzetti.

The full text of the detective's report has not yet been made public.

England Seethes In Battle Against Vicious Labor Bills

LONDON, England.—Trade unionists in many sections of England are conducting a house-to-house canvass against the government's anti-trade union bill. Literature is distributed and the government and the bill are attacked at every street corner and in every home. Organized workers predict that this policy will be resisted until it reaches from Land's End in the south of England to the most northerly point. The campaign has revived trade unionism as unorganized workers realize their danger if the unions are swept from the industrial field.

The National Conference of Labor Women announce that their propaganda week of 1927 has been extended to a month and that the one issue will be opposition to the bill. A mass meeting in Portsmouth, Halford Knight, well-known attorney, said:

"All the suggestions and proposals to hamper and restrict the industrial and political activities of trade unions that had been collected in the Tory dust bin for a generation are contained in the bill."

50,000 Trainmen Denied Raise Under Watson-Parker Law

CHICAGO.—Fifty thousand trainmen and conductors working on railroads west of Chicago were denied a raise and 26,000 yardmen were granted a 7 1/2 per cent raise in a decision handed down yesterday by the federal board of mediation.

The decision was made under the Watson-Parker law, which repealed the labor sections of the transportation act of 1920 and abolished the United States railroad labor board.

U. S. Turns Its Air Mail Planes Over to Magnates

Administration Yields to Plot of
Magnates Despite Success
Of Public Ownership

WASHINGTON.—Uncle Sam went out of the air mail business last week when the Post Office Department sold 29 planes at auction. The machines cost the government about \$15,000 each, according to Postmaster General New, and they were bid in from \$5,000 to \$7,500.

The pick of the lot went to Paul Henderson, whose company was recently awarded the contract for carrying the air mail between New York and Chicago.

For five years "private enterprise" has been laying its plans to take over the air mail service when it became profitable to do so. The government did all the "pioneering" at an expense estimated by the Postmaster General at \$10,000,000. Everyone agrees that Uncle Sam's air mail plant was the envy of the world and was operating with remarkable efficiency. Then Paul Henderson appeared on the scene. Mr. Henderson is a bright young man and the son-in-law of Congressman Madden of Chicago, chairman of the House Committee on Appropriations.

Working From the Inside Through the influence of Mr. Madden, Henderson was appointed Assistant Postmaster General and placed in charge of the air mail. He induced Congress to put through a bill permitting the government to get out of the air mail business.

Soon after this measure had been approved by the President, Mr. Henderson resigned and became the head of the National Air Transport Company of New York.

He began bidding for contracts under the new law and was awarded some of the best routes at very favorable figures. The big plum, however, was the line from New York to Chicago. Here Mr. Henderson encountered competition.

Charles A. Levine, the young New York millionaire who flew across the Atlantic a few days ago with Clarence D. Chamberlain, decided that he wanted to get into the game.

The upshot of the bidding between Henderson and Levine was that the first bids in which Levine underbid Henderson considerably were thrown out, and when Levine again underbid Henderson the government nevertheless awarded the contract to Henderson on the ground that Levine was not "responsible."

As matters stand now, Henderson, backed by his father-in-law and the Postmaster General, is in complete possession of the field. What Levine did when he stops celebrating in Europe and returns home is something for the future to reveal.

Under terms of the new legislation governing wage controversies between railroads and their employees both sides are in honor bound to accept decisions of mediation tribunals.

The decision was received with surprise and chagrin by officials of the trainmen and conductors' organization. They said the award did not do justice to the men of the western route in face of the evidence submitted to substantiate their demand for a wage increase of \$1 a day, or approximately 19 per cent. Several months ago trainmen and conductors employed on eastern and southern railroads submitted an appeal for a wage increase and they were granted a 7 1/2 per cent increase by a mediation board.

Two dissenting votes were cast against the award by the employees' representatives on the arbitration board. They are E. P. Curtis, general secretary of the conductors' brotherhood and J. A. Farquharson, a vice president of the trainmen's organization.

Plan Changes That Would Make Peaceful Emancipation of Workers Impossible

London, England.—The House of Lords tonight passed a motion by a vote of 208 to 54 to reform the British upper house. This precipitates what will no doubt turn out to be one of the most desperate struggles between the workers and upper classes in England in the history of that country.

If the proposed reform passes, the House of Lords will be given practically a veto power over any legislation by the House of Commons. In fact, the House of Lords will be clothed with the power to prevent legislation supported by an overwhelming majority of the people, if the majority in the House of Lords does not happen to want that particular legislation. The proposed measures, further, would make it certain that the House of Lords would always have an aristocratic and reactionary majority. They would provide that the membership of the House of Lords would be reduced from the present 740 to 350. Peers of the blood royal, lords spiritual, law lords and hereditary peers would be elected by PEERS FOR TERMS OF TWELVE YEARS.

A substantial, BUT LIMITED number of peers would be elected by the sovereign. Among this minority would be representatives of Labor and other classes, BUT THE LABOR ELEMENT WOULD BE HELD DOWN TO SUCH SMALL REPRESENTATION THAT THE HOUSE WOULD PRACTICALLY BE NIL. This "concession" to labor is undoubtedly for the purpose of giving this body a representative appearance while actually it will be an hereditary autocracy capable of preventing all fundamental changes in a new social order and all fundamental legislation desired by the majority.

Under existing laws the House of Commons is clothed through its speaker with the finally deciding vote on legislation. (Cont. on page 2)

Branting Uncovers Link in Sacco and Vanzetti Frameup

BOSTON.—George Branting, son of the former Socialist premier of Sweden, who is here investigating the Sacco-Vanzetti case in behalf of Labor, Liberal and Socialist opinion in Europe, has uncovered a link showing a frameup to convict Sacco and Vanzetti.

The "Sacco cap" which was alleged by the prosecution to have been found near the scene of the murder and was used as evidence to obtain conviction, has been weighed and found wanting by Branting.

Branting finds that the cap was not "discovered" until 24 hours after the murder. In the meantime, while it was supposed to be lying on the open road all this time 2,500 foot hands passed and repassed this spot without discovering it or picking it up until an official of the company whose payroll was robbed claimed he had found the cap.

Branting has the story told by Timothy Collins, reporter for the Boston Globe, as further corroboration of the fact that the cap was either a fraud or a mistake. Collins says he arrived on the scene of the crime a half hour after the murder. There was not a word about the cap then, nor during the first day, not until several weeks later.

Judge Thayer in his 1924 opinion denying the first motion for a new trial cited the cap as strong circumstantial evidence of Sacco's guilt.

Sign On The Dotted Line And Get Things Started Sub-A-Month Membership Pledge Organized Army of the American Appeal

American Appeal, 2653 Washington Blvd., Chicago:
I hereby agree to obtain for the American Appeal in the future at least one subscription per month, or its equivalent. Enroll me in the Organized Army of the American Appeal.

Name Address

NEWS AND VIEWS

Disarmament Hoax

The Coolidge so-called naval disarmament conference is typical capitalist bunk promoted solely for political purposes. There is only one out of two possible endings for it. It will either end in failure and start the greatest race in naval armament in the world's history, or it will result in an agreement between the three strong naval powers participating in maintaining between themselves large enough navies to dominate the world. If this latter arrangement fails to suit the rest of the world, then there will begin a regular word-wide race of death for naval and military supremacy. Any disarmament that is not universal is a fraud and a hoax. "Disarmament" scheme that includes only the three most powerful nations and relates only to navies, is a most monstrous and dangerous fraud.

Why This Difference

The Pope has just issued a warning against Bolshevism in China and Mexico. Bolshevism as understood today is a dictatorship of the working class. Right under the Pope's nose in Italy there has been built up during the past seven years the most despotic, cruel, monstrous and aggressive dictatorship in the world—the Fascist dictatorship. But it is a dictatorship in the interest of big business, the royalty and the aristocracy. The Pope has never yet issued any warning against this dictatorship. Why this discrimination by one who claims to be a follower and representative of the lowly Nazarene?

Ownership Wins

The owners of the moving picture business have announced a slash in the big salaries of the stars. This situation is a good illustration of the nature of capitalism. When the business was in its infancy genius and art were the essential elements in attracting the public to this new diversion. The men and women of established reputation on the stage, in short, had to be bought to this new business and the owners of the film has now been commercialized. Habits and tastes of millions of per-

The Obviously Correct System

The following is not the statement of a dyed-in-the wool Socialist. It is from a speech delivered by Owen D. Young, eminent engineer and economist of the General Electric Company before the Harvard graduate business school recently:

"No man is wholly free until he is both politically and economically free. Perhaps some day we may be able to organize the human beings engaged in a particular undertaking so that they will truly be the employer, buying capital as a commodity in the market at the lowest price. I hope the day may come when these great business organizations will truly belong to the men who are giving their lives and their efforts to them. I care not in what capacity."

"Then they will use capital as a tool, and they will all be interested in working it to the highest economic advantage. Then an idle machine will mean to every man in the plant who sees it an unproductive charge against himself. Then, in a word, men will be free in cooperative undertakings and subject only to the same limitations and chances as men in individual business. Then we shall have no hired men."

Socialism is so obvious, so reasonable, that even the captains and experts in capitalist industry will sometimes stumble and fall all over it.

sons profitable to the owners have been formed. An immense array of competing talent in movie acting has been created, which cannot go back to the stage nor find expression anywhere except in the movies. The owner without genius, without art, with nothing but his hold on materials and his natural cunning has won a position of superiority in the business and the artist has become more dependent and helpless. Ownership, true to the nature of capitalism, has won its first victory over genius and art. There will be other victories—other salary slashes—until the owner is complete master and creative effort is completely enslaved. Some day the movie stars will be glad to organize in their own defense and help build a world where effort, genius and art will reign supreme.

Why should the taxpayers have to put up such a sum in order that Calvin may make propaganda in favor of a third term for himself? If that isn't the object in vacationing in the midwest, then what is the object?

Calvin has talked economy in season and out of season but he has only wanted to get away from each thing, not in big things. In short, this economy talk is the bunk.

—John M. Work in the Milwaukee Leader.

Economy Cal's Costly Vacation

One of the mere preliminaries of Calvin Coolidge's vacation cost about \$200,000—the provisions for telegraph and telephone service.

In an interview, Albert Turner of Omaha, transmission engineer of the Northwestern Bell Telephone Company, said it would cost approximately that much. They had to string 650 miles of wire circuit and put up \$50,000 worth of equipment scattered through a dozen different towns. They provided three direct telephone circuits from Rapid City to Chicago, one to Denver, six telegraph circuits to Chicago, and three lines from Rapid City to the president's lodge, which is 75 miles by pole line although shorter by auto.

Turner said, "President Coolidge could hardly have picked a more remote spot to which we have to provide bulk telephone facilities." He was not complaining, for doubtless the company does not care since it gets paid for the work, but was merely telling the news.

But the taxpayers might have some reason to complain—especially in view of Calvin's ad nauseam economy talk.

And of course that was only one of many extra expenses. There will be extra expenses daily. Those wires were not put in to be allowed to lie idle. The public business between the camp and Washington will be carried on by wire, with stupendous tolls to be paid. There was a long special train to transport his coldness and a young army of helpers, and there will be a multitude of other expenses. Probably no public statement will ever be made of the total cost of this political vacation.

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Bankers Support Fascist Menace in the United States

WASHINGTON.—International bankers who loan money to Mussolini and American tourists who are banqueting or given an afternoon tea by the Italian dictator are the best propagandists for Fascism in this country, said Dr. Charles Fama of New York at a mass meeting in this city, July 1, at a World War veteran and a major in the Medical Reserve Corps. The meeting was held under the auspices of American citizens of Italian birth and other friends of Italian freedom.

Dr. Fama said that more than 90 per cent of the Italian press in this country is either owned or subsidized by Mussolini, who sustains Fascism. The leagues claim their purpose is to make better Americans out of Italians in this country. But Dr. Fama quoted this message to Mussolini from the convention of the Fascist League of North America, held in Philadelphia, October 17 and 18, 1925: "Central Fascist Council closing its second reunion sends expression of true devotion to its Duce, and renew oath of allegiance to do his will and to carry out his orders to the end."

Every time a fake attempt was made on Mussolini's life, similar telegrams were sent to the dictator by the various posts, whose members must take this oath:

"I swear unquestioning, complete and unlimited obedience to the Duce and Italian Fascism."

The speaker declared that Mussolini's black-shirted militia, with their automatic pistols, should not be permitted in this country. They are a challenge to democracy, he said.

Branting to Report Sacco Story Abroad

BOSTON.—George Branting, son of the late socialist premier of Sweden, has finished his study of the Sacco-Vanzetti case and sails for Europe this month. He will report his findings on the famous miscarriage of justice to the workers abroad.

Trotsky, Zinovieff, Are To Be Ousted

MOSCOW.—Dismissal of Leon Trotsky and Gregory Zinovieff from the central committee of the All-Russian communist party on charges of violating party discipline was recommended today by the presidium of the central control committee.

Obregon Candidate of Mexican Workers

MEXICO CITY.—Gen. Alvaro Obregon tonight announced his candidacy for the presidency of the republic. Gen. Arnulfo Gomez yesterday was named as the candidate of the "Anti-Revolution" party. Obregon has pledged himself to carry out the program and policies of Calles.

Minneapolis Labor Elects 3 Aldermen, 2 School Members

Lose 3 Aldermen—Labor Vote Has Decreased As Socialist Party Activity Declined

MINNEAPOLIS.—In the recent Minneapolis municipal election three aldermanic candidates of the Farmer-Labor Party out of six up for reelection were elected and three were defeated. On the other hand, the reactionaries came in for a surprise when the Farmer-Laborites elected two members of the school board.

The Labor candidates elected were, A. R. Gissen of the Ninth Ward, who received 5,041 votes to 2,995 votes for his opponent; A. G. Bastis of the Sixth Ward, who received 1,281 votes to 371 for his opponent, and Eugene Hanson of the Seventh Ward, who received 4,533 votes to 4,777 for his opponent.

The defeated Laborites were Charles H. Rusk of the Twelfth Ward, I. G. Scott of the Tenth and Peter J. Pryts of the Eleventh Ward.

Among the aldermen elected A. R. Gissen, a Socialist, has a long record fighting Socialism, although he is not at present affiliated with the Socialist Party. I. G. Bastis was a prominent Socialist for years, but is not in the Party at present. Eugene Hanson has always considered himself a Socialist in belief, but has not affiliated with the Party.

H. Rusk was a Party Member up until about two years ago. I. G. Scott was a radical Socialist with Communist sympathies. Peter J. Pryts was a faithful member of the Socialist Party up until a few years ago.

Among the Farmer-Laborites elected to the School Board was Lynn Thompson. Thompson is the only one of these Socialists who have retained membership in the Socialist Party. He is still a dues paying member.

The results in Minneapolis illustrate the futility of disorganizing Socialism in order to make it acceptable to a larger number of voters. During the War the Socialist Party of Minneapolis reached the height of its power, electing Thomas Van Lear mayor and electing a strong minority in the city council. The Nonpartisan League arose and later the Farmer-Labor Party the Minneapolis Socialists affiliated with the Farmer-Labor Party, but for a time preserved their separate local identity. Finally, the Minneapolis Socialist Party became merged almost completely with the Farmer-Labor movement. Van Lear became practically a reactionary and is considered a traitor to the Labor Movement by all Minneapolis radicals. The Socialist organization declined until it was almost impossible to get a quorum to a meeting. Finally the organization disappeared. Exactly to the same extent that the Socialist Party showed disintegration the Farmer-Labor vote in Minneapolis fell off. The decline has been steady. In the election preceding the one just held six out of twelve Labor aldermen were elected.

The direct cause of the decline in interest in the Socialist Party was the fact that it is a legal political activity and power to another party. In 1916 the Minneapolis Socialist Party was in practically the same position of power as the Milwaukee Socialist Party. The Milwaukee Socialist Party refused to yield the field to any reform movement and more than held its own. The Minneapolis Socialist Party tried to popularize Socialism under another name and disappeared. The Minneapolis movement has fully absorbed the Milwaukee movement in 1916.

12,000 Pennsylvania Coal Miners to Strike

Philadelphia, Pa.—All union coal miners in the central Pennsylvania bituminous field will close July 1, the joint committee representing the operators and miners having failed to reach an agreement on a new wage scale. Between 10,000 and 12,000 men will be idle.

The joint conference, which convened here last Tuesday to negotiate a new scale to replace the Jacksonville agreement, adjourned when the miners' representatives voted down a proposal of operators for a 15 to 20 per cent wage reduction.

Patrioteers Ban Jewish Liberals

Three Jews of national prominence are included in the black list of fifty-six names of "dangerous un-American personages," who are accused of working to undermine the government by what it terms "communist tendencies" in a special bulletin issued in Chicago by the Society of the Scabbard and Blade.

The three Jews named are Rabbi Abba Hillel Silver of Cleveland, Rabbi Stephen S. Wise, New York, and Joseph Schlosberg, secretary and treasurer of the Amalgamated Clothing Workers of America. Rabbi Silver and Mr. Schlosberg are members of the National Committee of the American Civil Liberties Union. The latter is also a member of the Executive Committee of the organization.

Lindbergh Gets Labor Day Invite

CHICAGO.—Charles A. Lindbergh, hero of transatlantic aviation and son of the late radical congressman from Minnesota, has been invited by the Chicago Federation of Labor to be the guest of honor at the Labor Day celebration in Grant Park stadium September 5.

APPEAL'S FEATURE DEPARTMENT

Harry W. Laidler, Editor

Proportional Representation

In Two Articles Article I.

Why Representation of Economic Groups Was Done Away With

Editor's Note

How can Socialists gain a foothold on the practical political life of the community? This is the most important problem before American Socialists. James O'Neal, editor of the New Leader, and one of the best scholars in the Socialist movement, believes that one way to give socialists the start they need in many communities and a way commensurate with their numbers is through the system of proportional representation. In the first of his two articles on this subject, Comrade O'Neal briefly and fascinatingly sketches the development of so-called representative government in Europe.

—H. W. L.

By James O'Neal

(Editor, The New Leader)

If government is to be an agency for solving important problems it should be as nearly representative as it is possible to make it. Majority opinions should rule and be responsible for the administration of power, but minority opinions should not be disfranchised. If a majority party has 51 per cent of the vote it should not have 75 per cent of the representatives. If minority groups poll 49 per cent of the vote they should not be assigned 10 per cent of the representatives or be deprived of representation entirely.

Yet misrepresentation, overrepresentation and underrepresentation prevail under the American system of representation in city councils, state legislatures, and in Congress. The representative system has become modernized in most modern nations but ours dates back to the last years of the eighteenth century. The result is that 50 per cent or more of the qualified voters take no interest in politics, one vote in the South is worth five or more cast in the North, two parties exactly alike alternate in power, and our dates back to the last years of the eighteenth century. The result is that 50 per cent or more of the qualified voters take no interest in politics, one vote in the South is worth five or more cast in the North, two parties exactly alike alternate in power, and our dates back to the last years of the eighteenth century. The result is that 50 per cent or more of the qualified voters take no interest in politics, one vote in the South is worth five or more cast in the North, two parties exactly alike alternate in power, and our dates back to the last years of the eighteenth century.

Free Cities as Private Business Corporations

How did all this come about? To make this plain it is necessary to understand how the representative system developed. An excerpt from an article by Professor John R. Commons in the New York Independent for June 1, 1925, on the subject of simple language how representation came to be. He begins with the free cities of the Middle Ages and says:

"The free cities were at first private business corporations or merchants, peddlers, and hawkers, chartered by a King in order that they might manage their private affairs, and might travel over the King's highway free from interference of the feudal lords. This corporation of merchants elected a president whom they called their maire. After a while, in one way or another, the different trades of hand workers, such as weavers, armor-makers, shoemakers, and so on, also organized

their own corporation, and elected their own presidents, whom they called aldermen. These aldermen met together as a kind of Trades Assembly, or Central Labor Union, or Board of Walking Delegates, and finally demanded and secured a veto on the maire. In this way the city became a representative government, in which the merchants were represented by their president the Mayor, and the labor unions by their several presidents, the Board of Aldermen. Each had a veto on the other, and therefore the consent of each was necessary to enact laws and ordinances.

Now, notice the method of elections. Neither the mayor nor the aldermen were elected by universal suffrage. Each was elected by the members of his own corporation or trade union. Each represented frankly and openly, not 'all the people,' like the modern politician, but his own organized interests. The Mayor spoke for the merchants, just as much as Chauncey M. Depew spoke as president for the stockholders of the New York Central Railway. Each alderman spoke and voted for his union, just as much as P. M. Arthur spoke for the Locomotive Engineers and George S. Sargent for the Locomotive Firemen. The city business could not be conducted unless the mayor and the aldermen agreed, just as the New York Central Railway could not carry on business unless Mr. Depew and an understanding with Mr. Arthur and Mr. Sargent. And just as the stockholders in the Central Railway do not vote in the elections of the labor unions, and the engineers and firemen do not vote in the meetings of the stockholders, so the merchants did not vote for the aldermen, and the hand workers did not vote for the mayor. The system was a representation of interests, not a representation of individual voters."

The reader will observe that in that period of history it was generally understood that the interests of the different classes differed so that representation was given to each group or class. It would have been considered absurd to draw an electoral district on the map and require bankers, landowners, business men, lawyers and workers to choose a man to represent all. They were more honest in those days. The system was a representation of interests, not a representation of individual voters."

Representing "All the People"

In December, 1899, Professor Commons also discussed this question before the American Economic Association in relation to the origin and development of the parliamentary system. A few sentences from this address are also informative:

"Only the members of the corporations in the towns and the landowners in the country could vote. Since that time universal suffrage has been adopted on the ground that the wage earner should be represented. But the result has been simply to throw the members of the corporations into the same constituency, and require them to elect one man by a majority vote who shall represent them all. This was easy enough when but one class voted by itself. It could then elect its own leading representative man. But to determine antagonistic classes into the same party and require them to elect one man who should represent all, compels them to elect, not a man who represents a class, but a compromise candidate who represents none. The compromise candidate is a bitter enemy, and he has no enthusiasm for his office. He does not stand for principles or convictions. He is simply the tool of the boss. The boss is the man who is shrewd in manipulating these class antagonisms and in selecting those compromise candidates, who can get a majority out of conflicting interests."

Thus Professor Commons has traced for us the origin of local and national representative bodies. At a later period representation of interests gave way to representation of districts. When district representation became general the suffrage was restricted to property owners and the masses were disfranchised. Believing that the masses would vote for their own interests, if they had the suffrage in district elections, and would control the government, they were excluded from voting in this country and in Europe.

Talk With Doc

By Adam Phool

Talking with a doctor, I spoke of a man fifty years old as an old fellow. The doctor corrected me with, "you are mistaken when you call a man of that age old, that is the prime of life nowadays."

I said, "Is it? Well you just go with any man past forty-five to most any factory in the country while he applies for a job, and see if you still have that idea."

"Oh yes," he said, he knew it was a fact employers in general refused to take on help past that age. But he said it was all imagination or ignorance of the progress of medical science and the longer life of man.

"It is true," I answered, "that you doctors are helping men to live longer. Now what are you doing to help the man buy food with which to sustain that life?"

He laughed and said he knew that doctors were wondrously smart but they shouldn't be expected to build the man and feed him too. He thought the man should be able to do that himself.

U. S. Bankers Have Half World's Gold

NEW YORK.—The largest supply of monetary gold ever accumulated by any country in the history of the world, a total of \$4,594,792,795, was held in the United States on April 1, according to figures of the United States treasury, just made available. This follows the establishment of a record at \$4,593,787,343 on March 1, and represents an increase of \$101,005,450 since April 1, 1926, when the total was \$4,492,781,905.

Since the outbreak of the European war American gold holdings have shown a net increase of more than \$2,250,000,000.

America's share of the monetary gold stock of the world amounts now almost to 50 per cent.

Eventually the masses by many sacrifices and struggles won the franchise. It then became a problem of the upper classes of property owners how to induce the masses to vote in favor of the upper classes and their politicians. This was accomplished by control of public education and the press, shaping the opinions of the masses as they grew to manhood. Prejudices were cultivated, historical myths fostered, conservative ideas glorified and radical ideas condemned. By subtle coercion over the mind, the laborer was induced to vote for the candidates of the capitalist, the farmer for the candidates of the banker, the shopkeeper for the candidates of the trust magnate. With the capitalist, the banker and the trust magnate controlling the two leading parties the rule of big property interests became safe.

Against the Masses to Vote

But in spite of this conquest and coercion of the minds of the masses they instinctively turn to the old idea of representation of groups and classes. After the elections representatives of farmers and laborers are sent to the state legislatures and Congress to represent their interests. These representatives appear in the lobbies seeking to persuade the lawmakers to enact laws favorable to farmers and city workers. Special representatives of corporations also appear in the lobbies to oppose legislation for farmers and city workers. In this way the class antagonisms of which Professor Commons speaks and which are obscured in the electoral districts burst through the representative shams and find expression in the legislative assemblies.

But in the law-making business workers and farmers find themselves at a disadvantage. Here they confront a disagreeable fact. They gave their power away in the electoral districts by voting for the representatives of other interests than their own. Their enemies have power. Workers and farmers have no power. The big property class receives anything in legislation, it is of minor consideration in comparison with what the upper classes receive. More often the lower class receives nothing but disappointment. This is our so-called representative system. It is a system that does not represent the masses. The big majority yet they do not control. It would be fine if we could again have representation of economic groups. If each occupation and profession had its representatives in proportion to the numbers in each occupation and profession, the masses would directly choose their agents. The big property interests being a minority would be outvoted. They would cease to rule.

The Alternative

But it is not likely that we can get occupational representation based upon an honest recognition of divergent interests. We should, therefore, try to get the next best thing to it. Accepting the present system of arbitrary electoral districts drawn upon the map, we can at least insist that voters and parties should be represented in proportion to the votes cast. If a party polls 10 per cent or 30 per cent of the vote, it should have 10 per cent or 30 per cent of the representatives. This equitable representation we do not have and proportional representation is necessary. What this means will be the subject of the next article.

Show Real Reason Why U. S. Envoy In Mexico Quit

By Harvey O'Connor

WASHINGTON.—James R. Sheffield ambassador to Mexico, has quit. Although he has not yet formally resigned.

Rumors of Sheffield's impending resignation have been rife in Washington since documents revealing that he had actively encouraged enemies of the Calles government to start revolutions fell into the hands of the Mexicans. An international incident of the first water resulted with claims that instructions from Secretary Kellogg, advising Sheffield how to apply the "straw" policy to Calles, had been forged and diplomatic pouches entered.

Ambassador Telles was recalled hastily to Mexico City and cable wires fairly sizzled with diplomatic assurances from the state department that the contents of the instructions to Sheffield and his replies had been tampered with were not true reflections of the American attitude. Calles graciously accepted the protestations, but with the tacit understanding that Sheffield would be recalled as soon as a convenient excuse offered.

Immediately thereafter both President Coolidge and Secretary Kellogg moderated their blustering tone toward Mexico and sweet assurances that the Mexican oil controversy could be worked out amicably were passed to the press. This contrasted sharply with previous statements of Assistant Secretary of State Olds, a law partner of Kellogg, to press associations in a non-quotable interview that Mexico was behind the Nicaraguan trouble and was seeking to create a "bolshie" hegemony from the Rio Grande to Panama.

Sheffield is reported by American labor men who have been in Mexico during his tenure, to have found the workers and peasants movements there extremely distasteful. He hated the idea of the underlying population conducting a revolution and getting away with it.

All Elements of Chinese Revolution Unite for Victory

Events of great importance promising the early culmination of the Chinese revolution, transpired during the week. Among these developments were the following:

1.—On June 20 there was held in Hankow, capital of the more radical wing of the revolution, a convention of 400 delegates representing several million workers, peasants and merchants which perfected a unification of these elements as the basis of the alliance of all classes to promote the revolution.

2.—On June 21 at the invitation of Feng Yu-hsiang, so-called Christian general, and military commander of the Hanfow armies, Chiang Kai-shek, commander at Nanking of the con-

Magnate Withdraws Offer to Operate Brotherhood Banks

CLEVELAND, O.—The Brotherhood of Locomotive Engineers has in prospect other financial alliances to take the place of the proposed affiliation with the Mitten management, Inc., of Philadelphia, which was withdrawn today by the Mitten interests. This became known when W. B. Prenter, president of the brotherhood, issued a statement following receipt of a telegram from Dr. A. A. Mitten, vice president of the Mitten company, saying the Mitten offer was being withdrawn.

Mr. Prenter declined to indicate what other plans the brotherhood is considering, but said that "other plans preferable to the Mitten proposal will be brought before the management, Inc., would have advantage."

According to the plan the Mitten summed complete direction of the brotherhood banks and a directing interest in its other business.

Another Professor Ousted by Bigots

Failure of the board of trustees of Winthrop College, Columbia, South Carolina, to re-elect Professor William Garnet Burgin to the chair of Sociology which he has held with distinction for the past five years is laid to the charges brought against him by "Fundamentalists" that he is an atheist.

Before taking over the chair of Sociology at the college, Professor Burgin was a Baptist preacher, and for several years taught a Bible class of 300 in one of the largest churches in Pasadena, California.

Professor Burgin's work in the college has been termed "distinguished" by several leading educational authorities. No criticism of his ability or services was made by the board in connection with its failure to re-elect him.

Will Present American Prosperity Continue?

Editor's Note

This article, sent to the Appeal by Dr. Laidler, our Feature Editor, is from a speech by George Soule at the recent national conference of the League for Industrial Democracy, which thrashed out the question, as has never been done before in this country, of the nature and the probable duration of our present so-called prosperity. Mr. Soule's position as editor of The New Republic adds to the significance of this article as practically all the points he makes are strikingly in accord with the Socialist viewpoint and analysis. The views of others attending this conference will appear in the Appeal. This is a vitally important topic because the majority are hypnotized, not by prosperity, but by prosperity talk, and when the impending industrial break comes there will be a tremendous disillusionment and American Socialism will reap the biggest and richest harvest in its history.

—M. E. K.

By George Soule

(Editor of The New Republic, Director, Labor Bureau, Inc.)

During the past three years, prices have been falling. The cost of living has tended downward rather than upward. The desire for increased wages has thus been rendered less sharp. It has also been met by a moderate extent by voluntary increases on the part of employers. The increased production has not been accompanied—except in certain instances such as building construction—by speculative fervor. It has been brought about rather by more efficient use of plant, machinery and labor. Thus, while output has in-

creased, employment has gradually declined. There has been no great demand for new workers in the labor market. A man who had a steady job was lucky to keep it. Thus we have a combination of circumstances which at the same time gives more satisfaction to the worker, and renders him less able to protest, than in an ordinary boom. It is in this condition which renders the myth of economic perfection in the United States easier for the worker to believe.

Prosperity, Credit and Gold Reserves

What solid ground is there for confidence that this condition will continue? In order to answer that question one would have to know the whole secret of the business cycle, and the best of my knowledge and belief, economic science has not yet any certain key to that secret. Nevertheless there are substantial grounds for the guess that even our present type of prosperity will not go on without serious interruption. I do not want to class myself with the business fortune tellers and do not intend to tell you when the next depression will arrive, but will content myself with expressing briefly some of the reasons for believing that it will arrive sometime.

One reason for the confidence in the continuance of prosperity on the part of the optimists is that the Federal Reserve Banks have apparently adopted the policy of discouraging both inflation and deflation. This they do by raising interest rates and selling securities when over-speculation appears and prices begin to rise, and by lowering interest rates and buying securities when business begins to lag. The effectiveness of

these measures depends, however, on other conditions, not wholly within the control of the Reserve Banks. Interest rates could not be lowered and securities bought at will if there did not exist ample reserves. These reserves are made up largely of a lion's share of the world's gold, which has flowed into our coffers as a result of the disturbed condition of international finance after the war. Let gold begin to flow out of our vaults in large quantities as a result of restored European currencies and prosperity abroad, and credit would be tightened in this country.

Or on the other hand, if much more gold should arrive here, it might easily come into possession of the local member banks, who could then proceed to enlarge their credits at will without depending on the aid of the Reserve Banks. Then no central banking policy could restrain a period of inflation, if other conditions were ripe for it. We have also to face the possibility that the policy of the Reserve Banks themselves might change, as a result of political pressure for soft money on the part of big business interests anxious for a good showing before an election, or to please short-sighted groups of farmers, or to help a hard-pressed Secretary of the Treasury sell Government bonds. Or deflation might possibly be demanded by powerful and temporary bearish private banking interests.

Even at the best, moreover, banking policy alone cannot govern business conditions. While it can influence the total supply of credit and currency, it cannot control the supply of goods offered for sale, or the distribution of the purchasing power with which to buy those goods. Let

us turn our attention next to this aspect of the subject.

Falling Prices and Business Failures

The fact that this period of prosperity is, on the whole, one of falling prices and increased efficiency, rather than one of rising prices and speculation, affects employers as well as workers. In an ordinary boom, when prices are going up, all businesses make money almost without effort, the small along with the large, the inefficient along with the efficient. Now, when prices are going down, it is only the more efficient who continue to profit largely; the less efficient find their profits restricted, and many of them fail. Competition becomes keener and keener; as profit margins shrink, everyone tries to make more and more goods in order to gain the advantage of large-scale production and keep the expensive plant, sales organization and overhead busy. The large producer tends to drive prices on downward. The result is an increasing concentration of production and trade in the strongest hands. Take for instance the record of bankruptcies. While the number of failures has been rapidly increasing and was much larger in the first quarter of 1927 than in any year since 1922, the firms failing have been growing smaller and smaller, as measured by their average assets. The profits of the biggest firms are growing much faster than those even of their largest competitors.

What bearing has this tendency on prosperity? Several, possibly. In the first place, as long as the big fellows are merely mopping up the little factory and the cross-roads

store, they still have plenty of velvet and business is not greatly disturbed. But if or when failures become more numerous among the larger fry, and the profits of the first-class concerns are considerably diminished, there may be a substantial curtailment of production and real unemployment. In the second place, the history of the business cycle seems to show that depressions are more severe as the average sized business grows larger. Troubles on the part of the big fellows, with tentacles in every industry and locality, create more of a stir than troubles in the business world when industry and trade are more localized and decentralized.

Productivity Grows Faster than Purchasing Power

A third possible cause of trouble lies in the apparent fact, for any one or more of a dozen reasons advanced to explain it, the capacity of industry to make commonly used goods grows faster than the purchasing power of the mass of the consumers to absorb those goods. The productive capacity of industry has been growing faster than ever before in the past five years, and while there has also been an unprecedented increase in real wages of factory, mine and railroad workers, since pre-war days, this increase of purchasing power has not been so great as the increase in productive capacity.

The farmers, too, have been badly off. Many believe that the only reason we have not before this had a depression due to under-consumption, is that business has been sustained by the rapid growth of the automobile industry, by the building boom, and by the steadily increased extension of credit to consumers through the

expansion of instalment-plan buying. But any or all three of these factors may meet a check.

The passenger automobile market appears to have passed the saturation point in this country; the sales of cars must now depend chiefly on the replacement purchases of those who have already bought their first car, upon export, and upon the demand for trucks and busses. Whether the last two outlets can expand rapidly enough to make up for the slump in the domestic passenger car market is doubtful. Building is continuing in large volume, but there is a persistent belief among students of the situation that we have passed the peak of the boom and are now overbuilt in the types of structure which give the speculative builder a profit. And there must be a limit somewhere to the expansion of instalment credit. It should be noted that growth in all these directions has largely been financed by bank credit, which in turn rests upon our enormous gold supply. If the gold should be exported, or the banks for any other reason be forced to adopt a more conservative policy, expansion would cease. Cracks in any or all of these pillars of prosperity might have unfortunate consequences.

Business Undermining Prosperity Through Tax Reduction

It is ironical that big business interests themselves are in one respect doing their best to undermine prosperity. I refer to the widespread campaign now being carried on by the industrial and railroad interests to reduce taxation, especially state and local taxes. Everybody admits that the building boom is helping business. Yet if we look over the record

of building contracts for the first third of this year, we see that, in comparison with last year, building is now being sustained largely by public expenditures, which must be curtailed if taxes are reduced. There are reductions both in residential and industrial construction, while there are large and important increases in educational buildings, public buildings, and public works and utilities. If these three latter types of construction had been no larger this year than last, the total value of the contracts awarded from January 1 to May 1, 1927, would have been \$53,717,000 less than it was.

Trade Rivalry and War

This is by no means an exhaustive list of the perils which might curtail prosperity. The process of expanding production, capital investment and search for markets goes on not only internally, as we have seen, but across international boundaries. Trade rivalry between Massachusetts and Missouri may or may not have unfortunate economic consequences, but at least it is not seriously complicated by the danger of war. Trade rivalry among nations is in economic aspects so different from trade rivalry within our borders, but an account of national governments and the way people think about them, may increase the danger of armed conflict. If war should occur, of course all bets are off. Doubtless we should have prosperity for as long as the war lasts, because war is a great waste of surplus production, human and human. The question is how long the war could last, strictly an economic one, not the question of what would happen afterwards. I leave these for the consideration of others.

The Farmer Problem—How the Capitalist System Enslaves Him

In Four Articles Article III.

By Tim True

The Trust A Political Creation

The corporation is a legally created body, with an individual standing before the law similar to that of the farmer and every other citizen. But, as a matter of fact, the corporation is not an individual. It is an organization. To legally define a railroad corporation, Standard Oil, United States Steel, or the American Woolen Company as an individual does not make it so—except before the courts. Each of them is an organized group. Their holdings are not individual but joint property, and their productive functions are performed, not to serve society but to aggrandize the interests of the producers of the nation and the world. Social service is an incidental outcome, not a fundamental reason, with them. There is no intention to serve mankind, but they cannot achieve their ambitions without doing so. By their control of the legislative powers of the nation and the state their will has become the law by which the destinies of the producers are controlled. They dictate the terms upon which our people may live. Executives, legislators, and judges serve them. Every resource of government is at their disposal, from the smooth tongues of the diplomats to the last bayonet in the arsenals, and the last shell in the arsenals.

The gigantic power with which the trusts are endowed was acquired gradually and consciously. Little by little, and with the aid of the law, the power was left to chance. As all property rights are derived from and guaranteed by the state, and all the relationships within the capitalist system are property relationships, Big Business aimed at and secured control of government. From the closest of national politics it subordinated the Republican and Democratic parties and used them to entrench and fortify itself in the most impregnable position it now occupies. Through its control of the two dominant political parties Big Business controls every department and function of government. The means by which it has achieved this conquest of power have not always been legal, seldom moral and often corrupt. But graft has been accepted as an institution inseparable from politics and, therefore, from government.

Consequently it is, to no one, and aims few, a surprise that executives favor trust property, legislators minister to it, and judges serve it. Every acquisitive Big Business design has secured favorable legislative consideration and judicial approval until Wall Street interests have won to such a privileged position that, like the kings of old, they can do no wrong. For the divine right of kings there has been substituted the legal right of capitalist property, established at the cost of the people's "right to life, liberty, and the pursuit of happiness."

Capitalist Property Vs. Private Property

Trustified (capitalist) property is destructive of private property. It has taken out of, overpowered, and holds private property subject and tributary to it. It tolerates private property only while it must, and dispossesses private owners when its ambition is served thereby. Trust property today represents the holdings of millions of former private owners, and threatens the proprietorship of the other millions. Nothing is to be gained by overlooking or underestimating the social significance of this development.

While trusts dominate the government, they will use their control to advance their interest at the expense of all others within the national—the holders of less powerful property forms and the workers. Consequently

ly we find that economically the power of the middle class-independent manufacturers, merchants, farmers, and the non-wage working professional elements—has diminished, and its political influence has waned considerably in the past five or six decades. As Big Business waxes stronger and arrogant the middle class declines in wealth, power and spirit. Unable to perceive or perhaps unwilling to observe the play of social forces, they accepted the leadership of Wall Street to the edge of the abyss. A mistaken idea that Wall Street and Main Street had interests in common led them to surrender to the plutocracy and social control which their fathers had wrested from the aristocracy.

The Rise of Capitalist Property

When John Smith, the village blacksmith, wrought at his anvil to fashion the needs of his neighbors, his smithy was private property. He operated it as means of obtaining a livelihood. He could speak of it as his property. James Jones, who ran the village right shop next door, could likewise speak of his place, tools and products. "This, and these, are mine." That form of property was private property.

When, however, as a matter of economy, Smith and Jones decided to combine the two properties, and formed the partnership of "Smith and Jones," a new form of ownership was brought into existence. After the combination was effected neither Smith nor Jones could refer to the joined holdings as his property. Both must now speak of it as "our property." This represents the first step in the evolution that led away from private property. The new ownership was not private but joint ownership; and was more economical and competitively more powerful, than the previous form.

Later, in response to the greater demands of developing industrial machinery, more extensive partnerships were formed, each in its turn wielding greater power than its predecessors, and exacting tribute from them. Eventually corporations, trusts, and even higher forms of ownership were evolved.

In the earlier advances away from private property the proprietors continued to function actively as part and parcel of the working force. But, as time went on, there came into being a form of ownership wherein the owners were merely investors, who took no part whatever in the operation or management of the enterprise. This stage marked the arrival of a form of ownership purely predatory and parasitic—capitalist ownership. This form of ownership only undertakes to finance production in order to exploit the labor it employs and to exact tribute from weaker property forms.

The owner of private property regards his property as a means by and through which he is enabled to apply his labor for the satisfaction of his requirements. Even when he employs others, as he generally does, a prime object is to secure their assistance in the pursuit of their own livelihood. But the sole purpose of capitalist property is exploitation.

A Comparison

The relationship between the propertyless workers and capitalist ownership in industry does not differ very materially from that of the farmer and other middle class elements. A comparison is worth while.

The wage worker has only his labor power by which to live, but has no means of independently employing this power to provide himself with the things of life. To transform his wealth-producing power into food, clothing and shelter, he must sell it to those who own the machinery of production—to the capitalists. He sells it, on the average, at wages dictated by them. Unless he succeeds in making a permanent sale, or, selling often enough, he is unable to survive. He is the victim of a dictatorship

which wrings profit from his labor. The farmer does not sell his labor power directly to the capitalist owners of industry. He incorporates it into commodities—grain, stock, vegetables, fruit, etc.—but he is under the same compulsion to sell these as the industrial worker is to sell his labor power. If he does not sell them he cannot survive as a farmer. As we have already seen, when the farmer goes to market he must necessarily employ instruments and agencies controlled by the owners of capitalist property, and submit to their dictation as does the wage worker. Substantially there is no difference in the farmer's relationship to capitalist property and that of the wage worker. One works his labor power into commodities that he offers for sale and the other sells it direct. Roughly, the farmer may be regarded as a piece worker while the industrial operative is a time worker. They will sell the same set of interests which rapaciously exploits both.

While there are some differences between the farmer, as an employer, and the worker, as an employer, these sink into insignificance beside their great outstanding common interest in together combating the plutocratic dictatorship, which is denying and crushing both. While it may be difficult, even impossible, at present to combine their forces upon the economic field, (this must be accomplished by a board of arbitration) there should be nothing whatever to prevent them coming together upon the political field; and there should be no hesitancy about doing so.

Catastrophe Impends In British Coal Industry

Editor's Note

The settlement of the present American soft coal strike as the coal mine owners want to settle it will not solve the coal situation in the United States. It will aggravate it and cause increasing recurrent trouble until a fundamental crisis is reached WHEN IT WILL HAVE TO BE SETTLED IN THE RIGHT WAY.

These facts are brought out strikingly by the present impending coal crisis in England, less than a year after the coal issue was "settled" in England as the bosses want it settled here—by beating the workers back to their jobs and to lowered wages. What this method of "settlement" is now leading to in England is brought out vividly in the following article by Leland Olds.

—M. E. K.

By Leland Olds

Drastic wage cuts, part time and unemployment for British miners forecast a new crisis in the coal industry, far more serious than England has yet experienced. This is the opinion of men closest to the struggle. Those with greater perspective see British capitalism as a whole facing inevitable decline. The conditions are demonstrating the truth of British labor's contention that the coal industry and eventually all industry can survive only through drastic reorganization.

England is no longer the industrial center of the world, shipping markets eager for its products. It is just one, and by no means the strongest, industrial nation fighting for markets already overstocked. The real trouble is not overproduction of coal but a serious decline in exports which now total \$2,000,000 tons a year compared with 13,000,000 in 1913.

The special delegate conference of the British miners federation, which met June 2 for the first time since the settlement of the 1923 lockout, faced a series of cuts reducing wages

Farmer Asks About Practical Socialism

By William Penrose

(Hunter, Arkansas)

1—Would a Socialist state in operation have a market?
2—Would there be excepted interests? If so, of what nature and why? Would the efforts of excepted interests enter a general market? If so, why would they not conflict with the efforts of one man directed by the collective will and not those of another?
3—Bellamy says that we should take all those things in which the efforts of all is greater than the individual. Tell me a single place in the whole machinery of production and distribution where the interests of all is not greater than the interest of the individual? If the whole machine should be taken over then where would there be a place for the excepted interest to come in? Bellamy leaves us the family and says, take the rest. So do I.

Editor's Note

Here are a series of stimulating questions. Who wants to attempt a reply to comrades Penrose? While the Appeal has been running Tim True's articles on the farm problem we have received some very interesting letters and articles by farmers. These will be published as soon as space permits.

Brotherly Love

In Cochich China when a man says "doji," I am hungry! everybody rushes to bring him something to eat. In many places in more "civilized" countries a man could say, "I am hungry" a thousand times and it would do about as much good as if he said, "doji."—by Lichtenberg.

American Financiers Strongly Praise Socialist Enterprises

Emphatic praise for a labor state and its publicly owned industries by American financiers is an unusual spectacle, but that is exactly what is contained in circulars just issued by the Harris Trust & Savings Bank of Chicago, the Equitable Trust Company of New York, the First National City Corporation of Boston, and the Estabrook & Co. The explanation is that New South Wales, the labor state, is many thousands of miles away across deep water and these financiers have \$25,000,000 in State of New South Wales bonds to sell at a profit, so once they tell the truth about public ownership and "Socialistic" enterprises.

The facts collected, indorsed and approved by these American capitalists tell a wonderful tale of the prosperity and well-being of a community ruled by labor; of the sound business basis of public ownership; of the remarkable record of success of the many state enterprises.

A Prosperous Community

Here are some of the good things these capitalists say about this labor state:

"New South Wales is the oldest, most populous and prominent state of Australia whose population is over 97 per cent British stock. Sydney, capital of the state and one of the chief cities of the Empire, is in the chief commercial, financial and industrial center of Australia as well as its leading port."
"Approximately 4 per cent of all capital invested in Australian lands, buildings and machinery is in New South Wales. The prime wealth of the state was estimated in 1925 at over \$5,500,000,000, or about \$2,400 per capita. On September 30, 1926, the number of depositors in savings banks represented approximately 63 per cent of the population with an average deposit of about \$345."

Huge State Prosperity

"As of March 31, 1927, the State's total public debt was \$1,150,246,508, offsetting WHICH ARE STATE-OWNED PROPERTIES AND ENTERPRISES, THE VALUE OF WHICH IS ESTIMATED BY THE STATE AT ABOUT \$1,596,277,600. ABOUT 79 PER CENT OF THESE PROPERTIES ARE REVENUE PRODUCING."

"Many of the state-owned public works and enterprises are of a municipal character, and the economic results of such investments by the state the debts of the municipalities are relatively small and impose a small tax burden."

"The sound management by the state of its business enterprises is exemplified by the railways, highways, the Sydney and New Castle Boards of Water Supply and Sewerage, and the Sydney Harbor Works which for the 20-year period ended June 30, 1926, showed net profits of about \$28,000,000 after covering all working expenses, including ample provision for maintenance and renewal, and interest on the invested capital."

Big Source of Revenue

"FOR THE FISCAL YEAR ENDING JUNE 30, 1926, THE STATE'S NET RETURNS FROM ITS VARIOUS PUBLIC WORKS EQUALLED APPROXIMATELY 79 PER CENT OF THE TOTAL INTEREST CHARGES FOR THAT YEAR ON THE TOTAL DEBT OF THE STATE, LEAVING ONLY 21 PER CENT TO BE CONTRIBUTED FROM THE STATE'S GENERAL REVENUES FROM TAXATION AND OTHER SOURCES."

"For the fiscal year ended June 30, 1926, total state revenues including income from public works and services were approximately \$185,100,000, and total expenditures, including operating costs of public works and services, approximately \$194,300,000."

"For the year ending June 30, 1927, the state's budget shows estimated revenues of about \$476,000 in excess of expenditures. The 1926 deficit was almost wholly accounted for by the reduction of railway revenues that

year due to the poor wheat crop of that year.

"For the 20 years ended June 30, 1926, the state's total expenditures exceeded total revenues by about \$22,500,000. Expenditures, however, included about \$25,800,000 for the construction of schools and other public works of a permanent nature. If these items had been treated as capital expenditures, revenues would have exceeded current expenditures by about \$2,900,000. Furthermore, the expenditures included items for debt reduction of about \$10,400,000. The proceeds of these bonds will be expended by the state for various public works."

Owned by the People

The billion and a half dollars worth of state-owned properties in New South Wales include:
Railroad and tramways \$ 889,766,439
Water supply sewerage, irrigation and water conservation 212,645,590
Harbors, bridges, rivers and wharves 108,590,677
Public buildings 40,611,012
Other properties and enterprises 644,613,982

Total \$1,596,277,600
Under the head of "other properties and enterprises" are coal mines, brick works, cement works and other manufacturing enterprises together with elevators, ware houses and other farm marketing facilities, and banking and insurance institutions.

To Extend State Properties

Among the public works or state enterprises the money from the sale of the bonds will be expended on: double tracking of state railway lines, hydro-electric plants, irrigation works and harbor improvements.

When the American capitalist press

launches its next onslaught against government ownership, these facts might be called to testify. A similar bond issue was recently just as highly recommended by the National City Co., the Rockefeller investment organization. It was for the city of Brisbane, capital of Queensland, the mostly highly socialized of all the Labor states of the Empire. It was gobbled up by the American investment public, according to M. F. McNulty, Chicago representative of National City.

Many Jobless At Prosperity Peak

Even at the height of Coolidge prosperity there has been a large margin of unemployment among the skilled trades, supposed to be the most favored groups of highly paid workers under Coolidge prosperity. The Massachusetts Department of Labor has just issued statistics showing the average amount of unemployment in the building trades.

The number unemployed May 2, according to the report, constituted 19.9 per cent of the total membership of the unions covered. This was a decided improvement over April 1 when 27.4 per cent were out of a job. Electrical workers reported the best conditions with only 11.4 per cent out of work. At the other extreme the hodcarriers and building laborers reported 31.7 per cent unemployed. For other occupations the percentages were bricklayers, masons and plasterers 15.8 per cent; carpenters 16.8 per cent; lathers 19.4 per cent; painters, decorators and paperhangers 17.7 per cent; plumbers, gas-fitters and steamfitters 26.9 per cent; and sheetmetal workers 11.6 per cent.

Federal Reserve Banks Shown as Holdup Hoax

By Leland Olds

The federal reserve, sold to the American public as a decentralized banking system, really placed control of the country's economic life more completely in the hands of New York bankers. This is revealed in an article for the journal of the American bankers association by Edmund Platt.

Platt, as a republican member of congress was active in the passage of the act and as vice-governor of the federal reserve board has been active in its administration. He admits that the decentralization feature was a gold brick and that the outlying banks, particularly in the farm sections, are not central banks but exist by grace of New York.

Following the panic of 1907 America's money lords determined to have a central banking system with control over the money supply. They spent more than \$1,000,000 on propaganda to create a popular demand for the legislation. But popular opposition to handing the country over body and soul to New York forced a modification of their plan to include establishment of 12 so-called central banks located at Boston, New York, Philadelphia, Richmond, Atlanta, Cleveland, Chicago, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco.

Now it is authoritatively admitted that New York stands out as the dominant banking center of the country with Boston, Philadelphia, and Chicago playing the chief subsidiary roles, practically branches of the all powerful institution.

"The tendency in recent years," says Platt, "has been to exercise control of credit as seems advisable by changing the rates at the New York federal reserve bank, sometimes with changes also at Boston, Phila-

delphia, Cleveland and Chicago, without change of rates in the other districts." To which he adds, "It is the amount of credit rather than the form which credit takes that really counts as a factor influencing business and prices."

Platt notes the original expectation that the federal reserve banks in the agricultural districts would be able to support themselves through loans to their member banks and continue to "But it is precisely these federal reserve banks which do not support themselves by their own independent operations, and I suppose it is no secret that nearly half of the 12 federal reserve banks today are primarily supported by the proceeds of bills or bankers' acceptances and short-term government securities, mostly purchased in the New York market by the federal reserve bank of New York and allocated to them somewhat in proportion to their need."

Platt points to the fact that loans by the New York federal reserve bank to a single great commercial bank may be larger than the combined loans of the Dallas, Kansas City, Minneapolis and St. Louis reserve banks to all their member banks.

"The problems in New York," he adds, "are those of a real central bank concerned not only with the rate of interest of the open money market, but with international rates and with the money markets of other financial centers such as London, Paris, Berlin and Amsterdam. The officers of the federal reserve bank of New York have been called into consultation and have sometimes been participants in the plans of stabilizing of currency in foreign countries through cooperation with foreign central banks."

The federal reserve banks are not owned by the government but by the banks comprising the membership in each district.